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TWO FORMER MARYSVILLE RESIDENTS ARE SENTENCED FOR THEFT OF HURRICANE KATRINA DISASTER MONEY

SACRAMENTO--United States Attorney McGregor W. Scott announced that former Marysville residents JOHN P. HOUSLEY, 49, and his daughter-in-law CRYSTAL J. HOUSLEY, 27, were sentenced today by United States District Judge Lawrence K. Karlton for conspiring to use the United States Mail to obtain Hurricane Katrina disaster money through FEMA (the Federal Emergency Management Agency) and for making false claims upon the United States for Hurricane Katrina disaster relief.

This case was investigated by the Department of Homeland Security Office of Inspector General, and the United States Postal Inspection Service.

In September 2005, Attorney General Alberto R. Gonzales created the Hurricane Katrina Fraud Task Force, designed to deter, investigate, and prosecute disaster-related federal crimes such as charity fraud, identity theft, procurement fraud, and insurance fraud. The Hurricane Katrina Fraud Task Force-chaired by Assistant Attorney General Alice S. Fisher of the Criminal Division-includes the FBI, the United States Inspectors General community, the United States Secret Service, the United States Postal Inspection Service, the Executive Office for United States Attorneys, and others.

According to Assistant United States Attorney Michelle Rodriguez, who prosecuted these cases, on October 18, 2006, JOHN P. HOUSLEY, CRYSTAL J. HOUSLEY, and SHAWN R. CUDABACK, 26, were charged with conspiring to defraud the United States government, and with mail fraud and making false claims to FEMA. On January 9, 2007, JOHN P. HOUSLEY pleaded guilty to the conspiracy charge and to making a false claim. On December 19, 2006, CRYSTAL J. HOUSLEY similarly pleaded guilty. In their pleas, the defendants admitted that, between September 1, 2005 and October 25, 2005, they devised a scheme to steal over \$10,000 in funds intended for Hurricane Katrina disaster victims. They also admitted to signing documents certifying false information to FEMA.

JOHN P. HOUSLEY received a federal prison sentence of ten months. CRYSTAL J. HOUSLEY received a federal prison sentence of six months (three months jail plus three months in custody at a Community Corrections Center). Each defendant was additionally sentenced to serve, following completion of the term of imprisonment, a 36 month term of federal supervised release. JOHN P. HOUSLEY was ordered to pay full restitution of \$3,221.00 and a \$200.00

special assessment. CRYSTAL J. HOUSLEY was ordered to pay full restitution of \$4,894.91 and a \$200.00 special assessment. Each defendant was remanded into custody after sentencing.

On December 7, 2006, co-conspirator SHAWN R. CUDABACK pleaded guilty to conspiring to use the United States Mail to obtain Hurricane Katrina disaster money and to making a false claim upon the United States, through FEMA, for Hurricane Katrina disaster relief. CUDABACK is scheduled to be sentenced on March 20, 2007.

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